NANJING SINOLIFE UNITED COMPANY LIMITED*

南京中生聯合股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3332)

INSIDE INFORMATION
SUBSTANTIAL DECREASE IN LOSS

This announcement is made by Nanjing Sinolife United Company Limited* (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2020, the Group is expected to record a loss of approximately RMB6 million for the six months ended 30 June 2020 as compared with a loss of approximately RMB42 million for the six months ended 30 June 2019, representing a decrease in loss of approximately 86%.

In the first half of 2020, the Group started to see results from its adjustment in development strategies. The substantial decrease in loss for the six months ended 30 June 2020 when compared to the same period in 2019 was mainly attributable to factors including (i) increase in the Group's overall gross profit margin due to (a) increased proportion of revenue from domestic sales channels; and (b) optimisation of product structure of the Good Health series products, and there was increased proportion of revenue from the maternal and child product series which have higher profit margin; and (ii) the Group has optimised its organisational structure, sales channels and the relevant promotional activities.

The information contained in this announcement is only based on a preliminary assessment by the Board on the Group's draft unaudited consolidated management accounts for the six months ended 30 June 2020, which are subject to adjustments and finalisation and have not been reviewed or audited by the Company's auditors.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2020. The Shareholders and potential investors should refer to the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published in August 2020, for details of the performance of the Group.

Potential investors and the Shareholders are advised to exercise caution when dealing in securities of the Company.

By Order of the Board
NANJING SINOLIFE UNITED COMPANY LIMITED*
Gui Pinghu
Chairman

Nanjing, the People's Republic of China, 27 July 2020

As at the date of this announcement, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan and Ms. Zhu Feifei; and the independent non-executive Directors are Mr. Zhang Jitong, Ms. Cai Tianchen and Mr. Wang Wei.

* *For identification purposes only*